



## A newsletter for Retirement Systems employers

Volume V

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### H3649 Signed

House bill 3649, which creates the Teacher and Employee Retention Incentive (TERI) program and provides for 28-year service retirement for South Carolina Retirement System (SCRS) members has been signed into law effective January 1, 2001.

### Tip of the Quarter

Please remind your employees of the December 31, 2000, deadline for requesting service purchase cost calculations at the current rates. Effective January 1, 2001, the cost and types of service available for purchase will change. The cost will increase. Employees cannot purchase the types of service available January 1, 2001, at the current rates.

### Ask TERI

#### Dear TERI,

All my friends are going to TERI. I am confused and don't know what to do. Please give me some pointers!  
**READY TO RETIRE**

#### Dear READY,

The decision to TERI or retire is a serious decision. You should consider your own financial position, your income requirements, any anticipated pay increases, and the value of additional years of service which would be included in your retirement calculation if you choose to not TERI.

#### Dear TERI,

Why can I only TERI on January 1, 2001? I would rather wait until July 2001. **WANTS TO WAIT**

#### Dear WANTS,

January 1, 2001, is the effective date of the TERI program. If eligible, you

may TERI at any time on or after January 1, 2001.

#### Dear TERI,

I have more than 28 years. Can I still TERI? **NEEDS TO KNOW**

#### Dear NEEDS,

If you are eligible for SCRS service retirement, either by age or service, you may TERI. Members retiring early (55/25 or age 60) will have a reduction in their monthly benefit; however, they may still TERI.

#### Dear TERI,

Will I have to pay taxes on the TERI account monthly or do I wait until my TERI period is over? I would like to be able to rollover my account into a 457 when my TERI period ends. Please answer ASAP! **READY to GO**

#### Dear READY to GO,

Your TERI account is tax deferred until the end of your TERI period, at which time you may rollover your account into: a 401(a), a 401(k), or qualified IRA. Tax laws prohibit rollovers into a 457 account. You will be taxed only on any amount paid to you and only when distribution is made.

#### Dear TERI,

What happens to the 6 percent that comes out of my check? I don't miss it now and want to see some growth with it. **DON'T MISS IT**

#### Dear DON'T,

The 6 percent contribution is for active members and ceases on your TERI start date (date of retirement). You may want to consider deferring that amount into a 401(k), 457, or 403(b) account through the SC Deferred Compensation Commission.

#### Dear TERI,

I will have 45 days of annual leave and 90 days of sick leave when I retire and TERI effective January 1, 2001. Will this leave be used for retirement and will I continue to accrue leave after I start to TERI? I work for a city but some of my friends who work for the state have told me different answers depending on who I ask when we have lunch. Please help!  
**LUNCH BUDDY**

#### Dear LUNCH,

The retirement statute governing unused annual leave states that any amount paid to you for unused annual leave up to 45 days may be included in your AFC. Up to 90 days of unused sick leave may be added to your service credit at retirement. Check with your Human Resources department for information about your employer's policy for retention of and accrual of leave during the TERI period.

#### Dear TERI,

Will I be informed of my TERI account balance? **BEAN COUNTER**

#### Dear BEAN,

Yes, you will receive an annual TERI statement each July while you are a TERI participant. You may also obtain an account balance statement by contacting Customer Services at 1-800-868-9002 or 1-803-737-6800.

#### Dear TERI,

What if I die while I am a TERI participant? Who gets the money? Thanks!  
**DYING TO KNOW**

#### Dear DYING,

If a TERI participant dies during the TERI period, the Retirement Systems will disburse the TERI account to the

beneficiary designated on the TERI participant's retirement application. In addition, if at retirement the retiree selected payment plan Option B or Option C, the surviving beneficiary will be entitled to receive a monthly survivor benefit. If the retiree selected Option A, a lump-sum refund of the remaining unrecovered contributions (if any) would be paid to the beneficiary. The beneficiary may also be entitled to receive the \$2,000, \$4,000 or \$6,000 Retiree Group Life Insurance benefit.

**Dear TERI,**

What if I change my mind after I retire? Can I cancel my retirement even if I have been retired for a while?

**UNCERTAIN**

**Dear UNCERTAIN,**

Please be sure that you want to retire when you complete your retirement application. The decision to TERI is irrevocable. You cannot cancel your retirement and return to the system as an active member unless you meet the 48-month rule.

## State ORP Deadline

The deadline for eligible new hires to join SCRS or the State ORP is December 1, 2000, or 90 days after hire, whichever is later. The December 1, 2000, deadline will have passed by the time you receive this newsletter. Eligible employees must make an election to join SCRS or the State ORP. If an employee does not make a selection, the law states that the employee will default into SCRS membership. Please remind your employees to review the available information and make an election by the deadline.

If an employee made the election to join either SCRS or the State ORP after the conclusion of the September quarter, supplemental contribution reports will have to be submitted to the Retirement Systems to correctly reflect the employee's date of membership and contributions with SCRS. A supplemental contribution report

must be completed for State ORP members as well. At that time, you will submit the employer contributions and the report to the Retirement Systems. Any questions may be addressed to your employer representatives or Customer Services at 1-800-868-9002 or 1-803-737-6800.

Remember, eligible employees must join either SCRS or the State ORP.

## Employer Training

The brochure to sign up for Employer Training will be mailed in early spring 2001. Sign up quickly because seating is limited and lots of new information will be presented about all of the legislative changes. Please do not call Customer Services to sign up until after you have received your Employer Training brochure.

## Spring Ready...Set...Go

Keep your eyes open for the spring **Ready...Set...Go** mail-out and list. As always, employers will receive a list of their employees who are eligible to retire and the registration forms for the members to register. Remind your employees that seating is very limited and to register as soon as they receive the forms. The Field Services department will register the members and send them a confirmation card. Please ask them to **PRINT LEGIBLY**. In the past, some individuals didn't get a card back because the information received was not legible.

## Preretirement Education Program

Many of you who have hosted preretirement education programs for your employees came to know Beverly Cave and relied on her knowledge, assistance, and program participation. Ms. Cave has left the Retirement Systems to pursue another opportunity. We will miss Beverly but wish her well in her new venture. The Preretirement Education Program will still be in good hands with Bob Martin, who can assist you with your preretirement education program planning. Many of you have planned and hosted such programs previously, but we also encourage employers who have not yet done so to host a preretirement education program. You may reach Bob at 803-737-7581 or at 803-261-9562. He will be happy to help you in any way to start, expand, or enhance your preretirement education program.

## Video Conferencing Now Available

Customer Services is proud to offer video conferencing to members. Video conferencing will allow members to have consultations without calling the Retirement Systems or driving to Columbia. This service will be available for individual consultations or for groups of two-to-four people.

For requirements, more information, or to set up an appointment for a video conference, contact Customer Services at 1-800-868-9002 or 1-803-737-6800, or send an email to [custservice@scrs.state.sc.us](mailto:custservice@scrs.state.sc.us).

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